

# RECOMMENDED **BUDGET**



FISCAL YEAR  
2018



MECKLENBURG COUNTY, NORTH CAROLINA • [WWW.MECKLENBURGCOUNTYNC.GOV](http://WWW.MECKLENBURGCOUNTYNC.GOV)

# Purpose

- Provide an Overview of the FY2018 Recommended Budget
- Revenue Estimates
- Expenditures
- Fire Protection & Law Enforcement Service Districts
- Community Service Grants
- Education & Literacy Funding
- Next Steps



# Guiding Principles

- A continuation of the work we started 3 years ago
- An investment in services, programs, and initiatives that will improve people's lives
- It incorporates the recommendations of the Economic Opportunity Task Force
- A commitment to build a stronger – better tomorrow for our community
- It maintains the alignment to the goals in our department strategic business plans
- It maintains the fiscal discipline strategy that Mecklenburg County is known for
- It maintains a stable property tax rate in the general fund





# Revenue

# Assessed Valuation

	<b>FY2017 Adopted</b>	<b>FY2018 Recommended</b>	<b>Dollar Change</b>	<b>Percent Change</b>
Property Tax Base	\$122.100 Billion	\$126.400 Billion	\$4.300 Billion	3.52%
Property Tax Rate	81.57¢	81.57¢	-	-
Value of Penny	\$12,057,375	\$12,513,600	\$456,225	3.78%

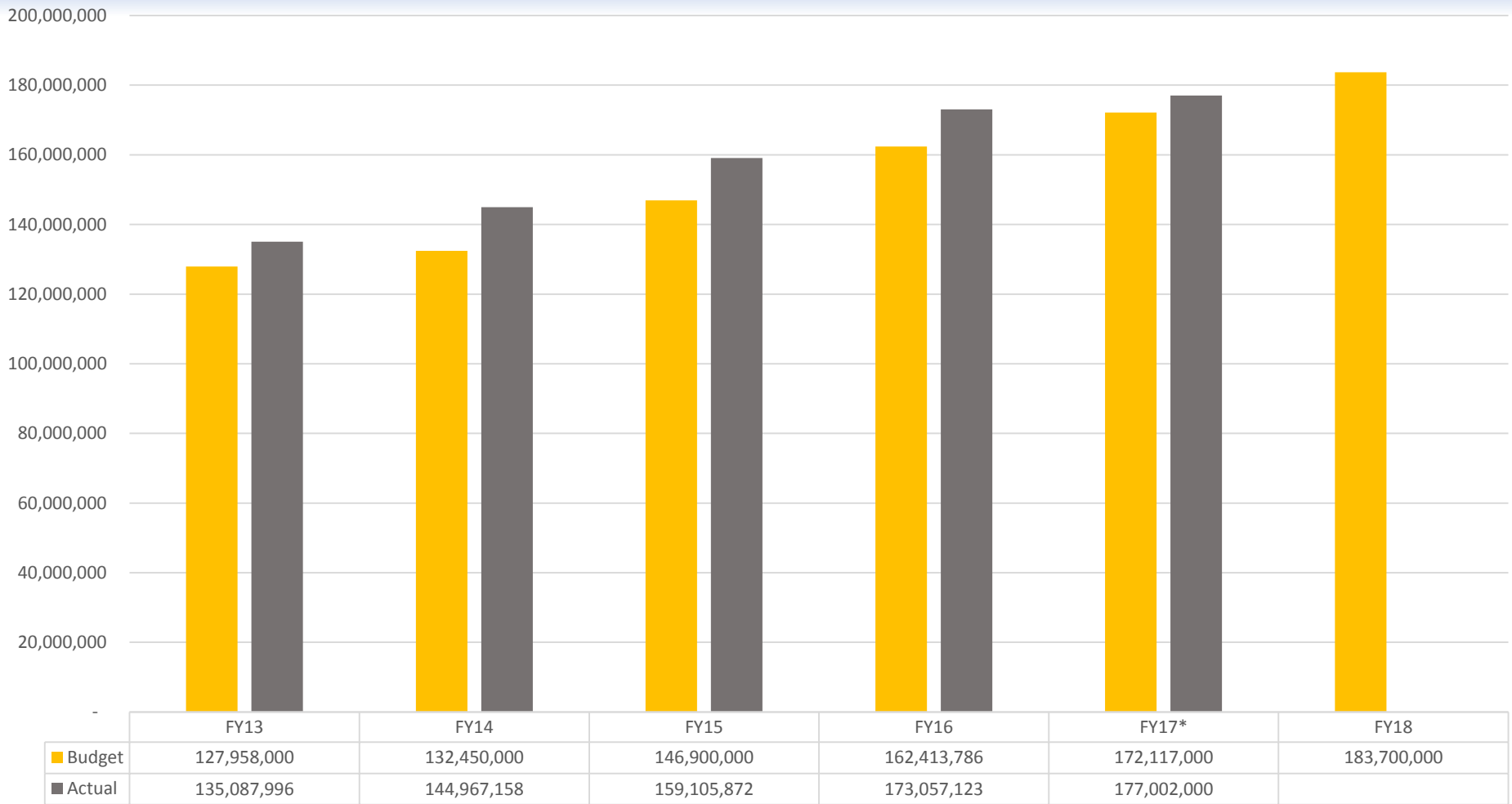


# FY2018 Revenue

Revenue Source	FY2017 Adopted	FY2018 Recommended	Dollar Change	Percent Change
Property Tax - Current	\$742,738,879	\$777,319,152	\$34,580,273	4.66%
Property Tax - Prior Years	6,826,000	6,910,000	84,000	1.23%
Sales Tax – County	172,117,250	183,700,000	11,582,750	6.73%
Other County Revenue	30,055,573	32,140,847	2,085,274	6.94%
Interest on Investments	4,200,000	5,600,000	1,400,000	33.33%
<b>General Fund County Sub-Total</b>	<b>\$955,937,702</b>	<b>\$1,005,699,999</b>	<b>\$49,732,297</b>	<b>5.20%</b>
Debt Service Fund (from 20¢ to 19.5¢)	\$241,661,200	\$244,589,200	\$2,928,000	1.21%
Federal Revenue	115,050,401	113,212,024	-1,838,377	-1.60%
Sales Tax – Debt Service	50,282,879	53,700,000	3,417,121	6.80%
Sales Tax – Transit	48,000,000	51,500,000	3,500,000	7.29%
Code Enforcement Fees	25,997,837	28,313,853	2,316,016	8.91%
Solid Waste Fees	18,636,126	21,518,035	2,881,909	15.46%
One-Time Fund Balance	25,750,000	22,938,000	-2,812,000	-10.92%
Enterprise Reserve Fund Balance	21,000,000	21,832,000	832,000	3.96%
Other Non-County Revenue	138,576,276	141,628,254	3,051,978	2.20%
<b>Total Revenue</b>	<b>\$1,640,892,421</b>	<b>\$1,704,901,365</b>	<b>\$64,008,944</b>	<b>3.90%</b>

# Sales Tax Comparison

## General Fund Only



\*FY2017 actuals represent estimates as of April 2017



# Fund Balance Appropriation

	FY2017 Adopted	FY2018 Recommended	Dollar Change	Percent Change
Technology Reserve & Strategy	\$15,000,000	\$12,417,000	-\$2,583,000	-17.22%
Other Post Employment Benefit	8,000,000	8,000,000	-	-
Capital Maintenance & Repair	8,000,000	8,000,000	-	-
Deferred Maintenance Plan	6,000,000	6,000,000	-	-
Pay-As-You Go	6,000,000	6,250,000	250,000	4.17%
Public Library Circulation Materials	1,500,000	500,000	-1,000,000	-66.67%
Fleet Reserve	1,000,000	1,832,000	832,000	83.20%
Economic Development	600,000	-	-600,000	-100.00%
Tax Collector – Foreclosure Strategy	500,000	-	-500,000	-100.00%
Elections Office	150,000	413,000	263,000	175.33%
Park & Rec – Electronic Gate Installation	-	500,000	500,000	-
Cyber Security & Data Loss Prevention	-	320,000	320,000	-
Read Charlotte	-	300,000	300,000	-
Vehicles for new positions (PRK & HLT)	-	173,000	173,000	-
Court Officials - strategic plan	-	65,000	65,000	-
<b>Total Fund Balance Expense</b>	<b>\$46,750,000</b>	<b>\$44,770,000</b>	<b>-\$1,980,000</b>	<b>-4.24%</b>



# Debt Service Fund

	FY2017 Adopted	FY2018 Recommended	Dollar Change	Percent Change
County Revenue	\$241,661,200	\$244,589,200	\$2,928,000	1.21%
CMS Debt Service	\$105,095,736	\$112,271,839	\$7,176,103	6.83%
CPCC Debt Service	8,901,176	10,224,822	1,323,646	14.87%
General Debt Service	50,645,320	45,819,229	-4,826,091	-9.53%
Budgeted Fund Balance	67,018,968	66,273,310	-745,658	-1.11%
Debt Service Fund Balance to Deferred Maintenance Plan	10,000,000	10,000,000	-	-
<b>Total County Expense</b>	<b>\$241,661,200</b>	<b>\$244,589,200</b>	<b>\$2,928,000</b>	<b>1.21%</b>





# Expenditures

# Efficiency Savings and Repurposed Funds

Item	Amount	Description
Zero Based Budget Analysis	\$1,639,530	Savings identified in Park & Recreation from the ZBB analysis
Fair Labor Standard Act (FLSA)	1,000,000	Projected overtime costs associated with FLSA
Enterprise One-Time Costs	911,211	Prior fiscal year one time expenses
Utilities	893,000	Cost savings based on enterprise trend analysis
Youth & Family Services	250,000	Contractual savings.
Unemployment Insurance	134,400	Cost savings from unemployment insurance & enterprise training based on trend analysis
<b>Total</b>	<b>\$4,828,141</b>	

# Strategic Investments

Item	Amount	Description
Park & Recreation	\$1,468,461	Funding to support facilities opening in FY2018
Technology Positions	1,162,510	Transfer salaries for (9) IT positions to the general fund
Technology Systems	1,081,554	Funding for Microsoft enterprise agreement, risk management & data recovery center
Housing Support Services	1,055,226	Funding to address chronic homelessness
Revaluation	686,066	Funding to support revaluation preparation
Elections	600,504	Funding to baseline one election and (3) positions
Sheriff's Office Contracts	576,545	Funding for maintenance & medical contractual increases
Court Official's Compensation	575,463	Annualized supplement for District Attorney & Public Defender's Office to bring them closer to market
Facility Maintenance	536,273	Funding for contractual increase
Enterprise Security	500,000	Funding to enhance employee security

# Strategic Investments cont'd

Item	Amount	Description
Economic Development	\$415,708	Economic development grants increases
Social Services	304,976	Funding to reduce the adult services caseload closer to the State average and to support the addition of (18) new YFS positions
Park & Recreation	294,915	Annualized cost for new facilities that opened in FY2017
Foreclosure Strategy	225,000	Contract with real estate service provide to support the acquisition of foreclosed properties
IT Security	202,059	Funding to identify security threats & meet HIPPA compliance
Crisis Management Plan	200,000	Funding for a plan to manage plan or unplanned events that may arise within the organization.
Enterprise Training	200,000	Phase one of a equity & implicit bias strategic plan that will focus on equal access to services by every resident that need them
Small Business Strategy	173,943	Funding to support small business creation & retention
Department of Community Resources	150,756	Funding for (3) new management level positions
<b>Total</b>	<b>\$10,409,959</b>	

# Investing in Employees

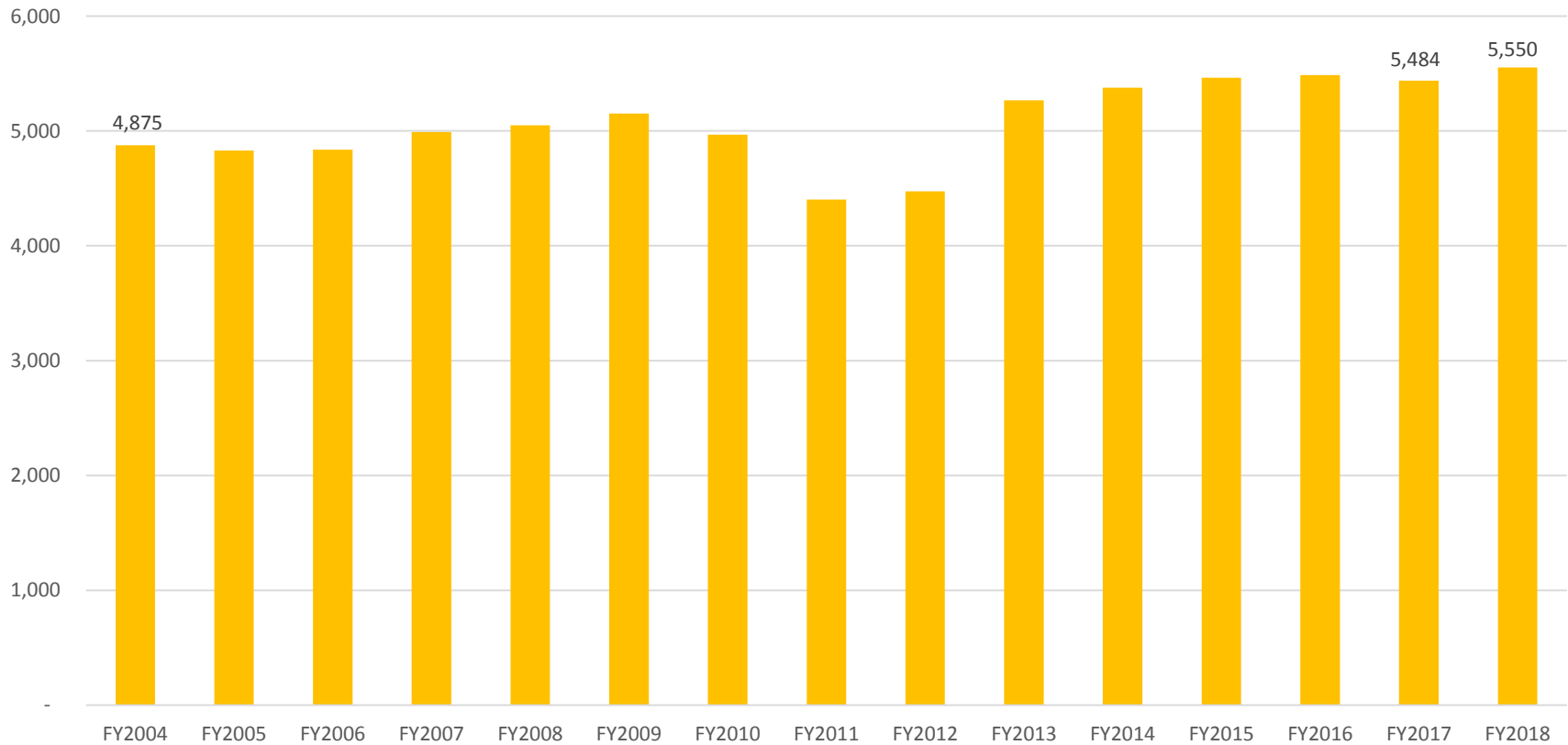
Item	Amount
Medical & Dental Claims	\$6,315,989
Employee Merit Increase	5,572,975
Annualized Merit Increases	1,468,778
Local Government Employee Retirement System – LGERS	917,405
Market Rate Adjustment	550,000
<b>Total</b>	<b>\$14,825,147</b>

Effective July 1, 2017: The County will offer a pre-tax Commuter Reimbursement Account benefit for employees who ride CATS buses, light rail or vanpools.

Effective January 1, 2018: The County will offer paid parental leave for the birth, adoption or placement of a child not to exceed (6) consecutive weeks.



# Recommended Positions





# Service Districts



# Law Enforcement Service District

	FY2017 Adopted	FY2018 Recommended	Dollar Change	Percent Change
Assessed Valuation	\$7,413,329,069	\$7,835,970,921	\$422,641,852	5.70%
Total Net Tax Levy	\$15,358,342	\$16,481,060	\$1,122,718	7.31%
Fund Balance*	838,451	1,200,000	361,549	43.12%
General Fund	680,000	680,000	-	-
<b>Total</b>	<b>\$16,876,793</b>	<b>\$18,361,060</b>	<b>\$1,484,267</b>	<b>8.79%</b>
<b>Tax Rate</b>	<b>21.14¢</b>	<b>21.46¢</b>	<b>0.32 ¢</b>	<b>1.51%</b>

\*\$1.2M fund balance projected for fiscal year ending 2017



# Fire Protection Service Districts

	Charlotte ETJ	Cornelius ETJ	Davidson ETJ	Huntersville ETJ	Mint Hill ETJ
Assessed Valuation	\$5,390,197,526	\$100,942,068	\$233,049,200	\$1,701,539,257	\$410,242,870
Value of 1¢	528,239	9,892	22,839	166,751	39,794
Tax Rate	8.0¢	5.7¢	8.5¢	5.0¢	8.0¢
Collection Rate	98%	98%	98%	98%	97%
Projected Revenue	4,225,915	56,386	194,130	833,754	318,348
Change in Tax Rate	1.0¢	0.0¢	3.0¢	0.0¢	0.0¢





# Community Service Grants

# Community Service Grants Process

- The County transitioned (2) of (3) target areas to (7) key themes
- Sunset provision was applied if agency received funding for (3) consecutive years
- Funding methodology should focus on buying results **and** funding new providers
- Applications reviewed by community experts, department directors and staff
- Nonprofit services must fill a gap in the department's strategic business plans



# Department Strategic Business Plan

## Key Themes

### Community-Focused (External) Key Themes

Theme 5



**Optimize  
Investments  
in Criminal  
Justice**

Theme 6



**Strengthen  
Families**

Theme 7



**Economic  
Development**

Theme 8



**Greater  
Economic  
Independence  
for Residents**

Theme 9



**Aging with  
Dignity**

Theme 10



**Community  
Health &  
Wellness**

Theme 11



**Environmental  
Stewardship**



# Community Service Grants

Community Service Grants	FY2018 Recommended
A Child's Place	\$50,000
Bethesda Health Center: You Are Not Alone	150,000
Care Ring, Inc.: Low Cost Clinic	70,737
Charlotte Bridge Home – NC Serves - Metrolina	200,000
CW Williams	390,000
Freedom School Partners	50,000
Hope Haven, Inc.: HH Vocational Training	41,500
Lake Norman Community Health Clinic	139,867
Teen Health Connection: Clinical Health Educator	50,000
Wings for Kids, Inc.	100,000
YWCA Central Carolina	50,000
<b>Total: Community Service Grants</b>	<b>\$1,292,104</b>



# Vendor Agreements

Vendor Agreements	FY2018 Recommended
100 Black Men of Charlotte – Movement of Youth	\$20,000
Ada Jenkins Families: AJC Human Services	25,000
Arts & Science Council: - Studio 345	350,000
Bethesda Health Center: Access to Care	165,000
Big Brothers Big Sisters: Mentoring 2.0	25,000
Big Brothers Big Sisters: School Based Mentoring	50,000
Care Ring, Inc: Nurse Family Partnership	250,000
Care Ring, Inc: Physicians Reach Out	250,000



# Vendor Agreements cont'd

Vendor Agreements	FY2018 Recommended
Center for Community Transitions: LifeWorks	\$100,000
Charlotte Community Health Clinic: Homeless	270,919
Communities In Schools: Building Student Success	900,000
Community Culinary School: Workforce Culinary Arts	80,000
Latin American Coalition: Economic Mobility Center	50,000
NC MedAssist: Free Pharmacy Program	550,000
Senior Activities & Services: Self Management for Seniors	95,000
Shelter Health Services: Healthcare for Homeless	69,000
Urban League: Continuum of Opportunity	50,000
<b>Total: Vendor Agreements</b>	<b>\$3,299,919</b>





# Community Service Grants Recommended for Sunset

Agency	FY2017 Adopted	FY2018 Recommended
Charlotte Community Health Clinic: Low Income	\$250,000	--
First Baptist West: Clara H. Jones Summer Institute	100,000	--
International House: Rising Readers	50,000	--
Junior Achievement Programming in CMS	20,000	--
YMCA of Charlotte: Y Readers	185,000	--
<b>Total: Community Service Grant Sunset Recommendation</b>	<b>\$605,000</b>	<b>--</b>



# Community Service Grants

Key Themes	FY2017 Adopted	FY2018 Recommended	Dollar Change
Aging with Dignity	\$95,000	\$95,000	\$0
Community Health & Wellness	1,994,919	2,355,523	360,604
Economic Independence	1,334,500	1,171,500	-163,000
Optimize Investment in the Criminal Justice System	100,000	100,000	0
Strengthen Families	50,000	350,000	300,000
Critical Success Factor	FY2017 Adopted	FY2018 Recommended	Dollar Change
Improve the High School Graduation Rate	\$570,000	\$520,000	-\$50,000
Sunset	FY2017 Adopted	FY2018 Recommended	Dollar Change
Sunset Recommendation (8 Agencies)	\$605,000	--	-\$605,000
<b>Grand Total</b>	<b>\$4,749,419</b>	<b>\$4,592,023</b>	<b>-\$157,396</b>





# Education & Literacy Funding

# Charlotte-Mecklenburg Schools

## Recommendation

Funding Categories	FY2017 Adopted	FY2018 Recommended	Dollar Change	Percent Change
CMS Operating	\$411,193,792	\$426,444,699	\$15,250,907	3.71%
Deferred Maintenance Plan	18,000,000	18,000,000	0	0.00%
CMS Capital Replacement	4,960,000	4,960,000	0	0.00%
<b>CMS Total</b>	<b>\$434,153,792</b>	<b>\$449,404,699</b>	<b>\$15,250,907</b>	<b>3.51%</b>



# Central Piedmont Community College Recommendation

Funding Categories	FY2017 Adopted	FY2018 Recommended	Dollar Change	Percent Change
CPCC Operating	\$34,529,949	\$35,149,940	\$619,991	1.80%
Deferred Maintenance Plan	4,000,000	4,000,000	0	0.00%
Capital Reserve (One Time Funding)	--	700,000	700,000	--
<b>CPCC Total</b>	<b>\$38,529,949</b>	<b>\$39,849,940</b>	<b>\$1,319,991</b>	<b>3.43%</b>



# Education & Literacy Investment

Funding Categories	FY2017 Adopted	FY2018 Recommended	Dollar Change	Percent Change
CMS County Funding – Operating & Maintenance	\$416,153,792	\$431,404,699	\$15,250,907	3.66%
CMS County Funding – Debt Service	105,095,736	112,271,839	7,176,103	6.83%
CMS Deferred Maintenance	18,000,000	18,000,000	-	-
<b>CMS Total</b>	<b>\$539,249,528</b>	<b>\$561,676,538</b>	<b>\$22,427,010</b>	<b>4.16%</b>
CPCC County Funding - Operating	\$34,529,949	\$35,149,940	\$619,991	1.80%
CPCC County Funding – Debt Service	8,901,176	10,224,822	1,323,646	14.87%
CPCC Capital Reserve Funding	-	700,000	700,000	-
CPCC Deferred Maintenance	4,000,000	4,000,000	-	-
<b>CPCC Total</b>	<b>\$47,431,125</b>	<b>\$50,074,762</b>	<b>\$2,643,637</b>	<b>5.57%</b>
Public Library County Funding	\$31,520,076	\$33,653,433	\$2,133,357	6.77%
Public Library One-Time Funding	1,500,000	500,000	-1,000,000	-66.67%
Public Library Enterprise Reserve Funding	2,375,000	1,700,186	-674,814	-28.41%
<b>Public Library Total</b>	<b>\$35,395,076</b>	<b>\$35,853,619</b>	<b>\$458,543</b>	<b>1.30%</b>
Child Care Subsidy Program Expansion	-	\$6,000,000	\$6,000,000	-
Public School's Health Nurses	14,921,390	15,802,856	881,466	5.91%
Education Support Services – Nonprofits	2,043,000	1,495,000	-548,000	-26.82%
ASC – Library & Parks Orchestra Programs	500,000	675,000	175,000	35.00%
Read Charlotte	100,000	100,000	-	-
Read Charlotte – Data Collaborative	-	300,000	300,000	-
<b>Education &amp; Literacy Investment Total</b>	<b>\$639,640,119</b>	<b>\$671,977,775</b>	<b>\$32,337,656</b>	<b>5.06%</b>

# Recap: FY2018 Recommended Budget

## Major Funding Recommendations

- ☐ FY2019 – FY2023 Capital Improvement Plan = \$1.6 Billion
  - 10 New Schools & 12 High- Priority School Renovations
  - A New Main Public Library
  - American Legion Memorial Stadium Renovations
  - Department of Community Resources – ( 4 locations)
- ☐ Maintains the current general fund property tax rate = 81.57¢
- ☐ Adjust the Law Enforcement Service District to account for growth and the CMPD staffing increase
- ☐ Adjust the fire protection district tax rates to ensure stable funding that will support 24/7 operations
- ☐ A One-time fund balance appropriation = \$44.7 million
- ☐ \$5 million in efficiency savings and repurposed funds to support strategic investments
- ☐ Funding for year 2 of 3 year department strategic business plans
- ☐ Continued funding for a new foreclosure strategy that will increase tax collections
- ☐ 54% of the County budget funds education and literacy
- ☐ Expansion of the childcare subsidy program to promote early childhood education
- ☐ Funding investments in the Economic Opportunity Task Force Report
- ☐ Funding for employee merit increases



# Next Steps

Date	Time	Activity
June 5	6:00 PM	Budget Public Hearing
June 8	3:00-5:00 PM	Budget Workshop – Detailed Overview of Manager’s Recommended Budget
June 12-13	9:00 AM (June 12) 3:00 PM (June 13)	Budget Straw Vote Workshop <ul style="list-style-type: none"><li>• Recommended Operating Budget</li><li>• Recommended Capital Improvement Plan</li></ul>
June 20	6:00 PM	FY2018 Budget Adoption <ul style="list-style-type: none"><li>• Recommended Operating Budget</li><li>• Recommended Capital Improvement Plan</li></ul>





# Follow-Up Meetings

- Board staff support will contact each commissioner to see if you want to meet to discuss the recommended budget
- Topics Discussed
  - Preparation for the June 8 budget workshop
  - Details of the Manager's Recommended Budget
  - Overview of the straw-vote spreadsheet and process
    - FY2018 Recommended Operating Budget
    - FY2019-FY2023 Recommended Capital Improvement Plan



# For Additional Information

- On County Website: [www.mecklenburgcountync.gov](http://www.mecklenburgcountync.gov)
- Follow on Facebook and Twitter
- Register to speak at budget public hearing:
  - <http://boccspeakerbph.mecklenburgcountync.gov>
  - or
  - Dial: 980-314-2870



# Thank You

- Board Staff Support
- Budget Executive Team
- Clerks Office
- Department Budget & Finance Staff
- Financial Services Department
- Manager's Cabinet
- Public Information Department
- County Manager
- Office of Management & Budget



# RECOMMENDED **BUDGET**



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